

FISCAL NOTE

SB 611 - HB 653

April 1, 2007

SUMMARY OF BILL: Makes changes to eligibility requirements for HOPE Scholarships, ASPIRE awards, HOPE Access grants and HOPE scholarships for nontraditional students; specifies the award amount of the HOPE Foster Child Tuition Grant; increases the HOPE Scholarship award for FY2007-08 at four-year institutions to \$4,000 and \$2,000 at two-year institutions and increases the Wilder-Naifeh technical skills grant to \$2,000.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$34,603,200 in FY07-08 and by \$38,062,000 in FY08-09.

There is included in the Governor's FY2007-08 Recommended Budget the amount of \$9,300,000 from recurring lottery for education revenues for the increase in the base HOPE Scholars award levels. The amounts will increase from \$3,800 to \$4,000 at four-year schools and from \$1,900 to \$2,000 at two-year schools. Other awards, which are based on the HOPE award levels, will increase accordingly.

Assumptions:

- According to TSAC, the following increase in lottery expenditures has been determined by category: \$40,000 AGI – First year cost of \$2,304,000. Second year cost of \$2,535,000.
- EFC of \$3,800 or less - First year cost of \$7,840,000 (ASPIRE recipients \$3,750,000; HOPE Access recipients \$3,710,000; Nontraditional recipients \$380,000). Second year costs of \$8,624,000 (ASPIRE recipients \$4,125,000; HOPE Access recipients \$4,081,000; Nontraditional recipients \$418,000).
- Change from lottery GPA to Institutional GPA - First year cost of \$4,541,000. Second year cost of \$4,997,000.
- HOPE Foster Child Tuition Grant – First year cost of \$50,000. Second year cost of \$50,000.
- Increased award amounts for 2007-08 – First year cost of \$16,837,700. Second year cost of \$18,521,500.

- Changing benchmarks to the end of the academic year – First year cost of \$2,650,500. Second year cost of \$2,916,500.
- Change to ease requirement of full-time continuous enrollment – First year cost of \$380,000. Second year cost of \$418,000.
- Total first year impact - \$34,603,200.
- Total second year impact - \$38,062,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director